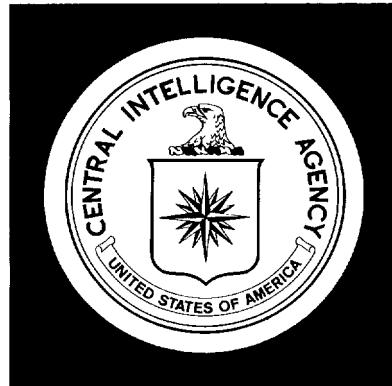


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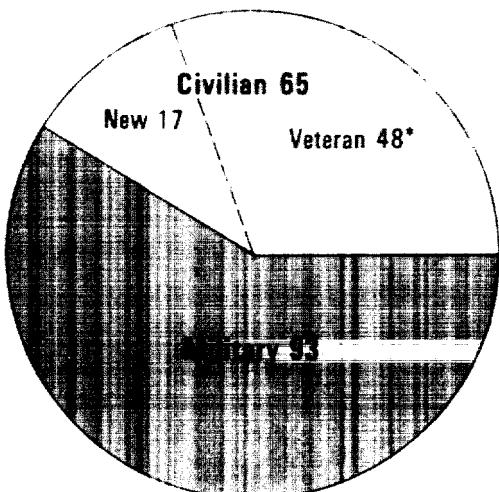
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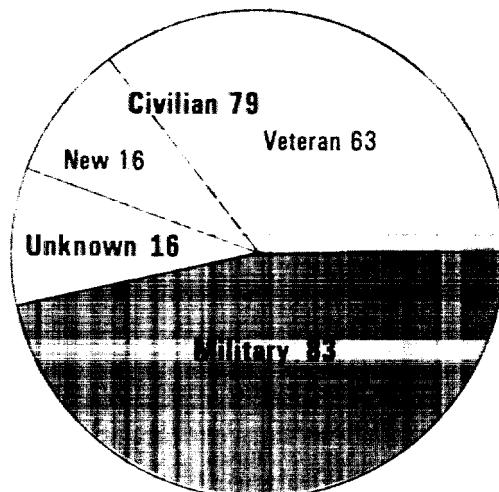
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Composition of Provincial Party Committees

Original total at formation,
September 1971 158



Current total,
July 1973 178



Total additions since formation 57

Civilian 28	Military 11
Veteran 24	Unknown 18
New 4	

Total promotions since formation 13

Civilian 10	Military 3
Veteran 9	Unknown 0
New 1	

Total purged, absent since January 1, 1973 or demoted 28

Civilian 6	Military 19
Veteran 4	Unknown 3
New 2	

*Veteran cadre are cadre who held a party or government position prior to the Cultural Revolution

CHINA: The role of the military in Chinese politics is one of the major issues confronting the Peking regime as it prepares for the 10th Party Congress. Although the number of civilians on provincial party committees is growing, senior military officers still retain considerable power in the provinces.

The provincial party committees formed in late 1970 and 1971 reflected the military's dominant position in provincial politics as a consequence of the Cultural Revolution. Beginning with and spurred by the Lin Piao incident of September 1971, Peking moved to reduce the military's influence in these organizations by purging some military men and enlarging the committees through the addition of civilians. In September 1971 the military had a three-to-two advantage; now civilian representation is about equal to the military in absolute numbers. On the other hand, senior military officials still hold at least one of the two top spots in all but three of China's provinces and independent municipalities.

It is mostly the second-level civilian veterans who are returning--individuals who served in positions just below the top provincial and regional posts prior to the Cultural Revolution. These men were largely former provincial party secretaries and vice governors, and many have had expertise in rural matters; all are experienced administrators capable of contributing to the resolution of China's agricultural problems and to the drive to rebuild party organizations.

Most of the former top men in provincial politics--pre - Cultural Revolution regional party bosses and provincial party first secretaries--have not yet been rehabilitated. Unlike the civilians already returned, these men were contenders for national political power; their rehabilitation undoubtedly is now being discussed.

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CHILE: President Allende apparently hopes that his inclusion of the military in his new cabinet will end strikes and coup plotting.

After several days of growing tension, Allende, according to a government communiqué, will announce this morning that the armed forces chiefs are joining the cabinet. This move is likely to put serious stress on his Popular Unity coalition.

Previously, the National Party had introduced in Congress a legally questionable proposal to remove the President from office. The Christian Democrats are casting around for a new opposition policy. In the meantime, they are accusing high-level Cuban visitors of intervention.

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The truckers' strike, now in its third week, is causing serious but not crippling shortages. Scattered strikes by bus and taxi owners and drivers, doctors, and copper technicians have been only partially effective thus far. Other groups are weighing the risks of shutting down, but are deterred by recollection of the government's harsh economic retaliation after the protest strike last October. A sharp rise in terrorist incidents probably was a major factor in Allende's reincorporation of the military into the cabinet.

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INDONESIA: The situation remains calm in the wake of last weekend's anti-Chinese riots in Bandung, but the government is maintaining security precautions in case of further trouble. The consensus of local opinion--including some influential civilian leaders--is that the riots were spontaneous and based on discontent with prevailing economic conditions, especially unemployment and rising prices, as well as on traditional Indonesian hostility toward Chinese. The US Embassy reports that the economic factors have also helped to increase tensions in most Indonesian cities.

Government officials have been putting out the line that the disturbances were organized either by Communist remnants or by right-wing extremist Muslims, but no supporting evidence has been produced. The government probably is advancing this explanation in order to avoid acknowledging that economic factors contributed to the trouble. [redacted]

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JAPAN-INDONESIA: Japan's economic aid package to Indonesia this year contains the most generous loan terms Tokyo has ever offered any recipient country. In addition to loans and grants for food and fertilizer totaling \$57 million, Jakarta will receive commodity and project loans amounting to \$169 million at 2.75-percent interest with 30 years to repay, including a 10-year grace period. Tokyo's aid terms until now have been consistently tougher than those of most major non-Communist donors; the most favorable conditions for Japanese development loans had been 3-percent interest for 25 years with 7 years' grace.

The loans to Indonesia are partially untied to permit some local procurement and purchases from other developing countries as well as from Japan. However, such limited untying, which does not allow purchases from developed countries, has the effect of restricting the bulk of purchases to Japan.

Tokyo has been urged by donor and recipient nations to allow worldwide procurement. The loans to Jakarta, like recent partially untied loans to Sri Lanka and Thailand, are a step in this direction.

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FOR THE RECORD*

Venezuela: Venezuela is again attempting to enlist OAS support for a proposal to revoke sanctions prohibiting member states from dealing with Cuba. Obtaining 12 of 23 votes would in effect leave the question of relations with Cuba up to each country. At this point, Venezuela probably is one vote short of a simple majority.

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**These items were prepared by CIA without consultation with the Departments of State and Defense.*

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